

# Long-distance fee for Qwest

Charge irks clients, regulators

By Max Jarman  
The Arizona Republic

Nearly one million Arizona consumers who switched to Qwest long-distance telephone service in the past year are being notified of a \$2.99 per month surcharge that will be added to their bills starting Oct. 1.

The move came as a surprise to customers who abandoned their traditional long-distance carriers in favor of Qwest's offer of 5 cents a minute with no minimums or surcharges.

Officials at Denver-based Qwest said the company imposed the surcharge to bolster its financials.

Qwest    Communica-

tions, International Inc. lost \$776 million in the second quarter of 2004 and saw revenue slip \$154 million, or 4.3 percent, from the second quarter of 2003.

"We're working to offer a competitive long-distance rate and manage our long-term business strategy and viability," said Michael Dunne, a Qwest spokesman. Qwest has an estimated 2.5 million long-distance customers systemwide, and about 1 million in Arizona, Qwest's largest market.

A Qwest letter mailed this week suggests that consumers who use few long-distance minutes

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could pay 15 cents per minute and be charged a 99-cent monthly fee.

The long-distance bills will continue to be capped at \$20 per month and the \$2.99 charge will count toward reaching that ceiling. A \$25 cap for long-distance customers who are not Qwest telephone subscribers has been lowered to \$20.

Susan Shepherd, of Phoenix said she has decided to switch to Cox as a result of the fee.

"I was considering it, and that made my mind up," she

said.

Cox Communications Inc. has a no-monthly-charge plan for 10 cents per minute and a 7 cent per minute plan with a \$3.95 monthly fee.

The Qwest charge has angered more than customers. Arizona Corporation Commission Chairman Marc Spitzer was upset because such charges are often construed by consumers to be a government-imposed fee. Spitzer said the commission needs to develop truth-in-billing rules to prevent consumers from being misled.

Corporation Commissioner

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— Bill Mundell

*Arizona Corporation Commissioner who is concerned about the numerous charges and fees that are popping up on long-distance and wireless phone bills*

Kris Mayes said she is concerned that people might feel as if they have been victims of a bait-and-switch scam.

Qwest's no-fees offer was recently promoted to AT&T customers after the company announced that it would no longer

seek new residential long-distance customers.

Because long-distance is thought to be a competitive service, the commission allows Qwest to set its own rates for the service. But Spitzer and other commissioners are grow-

ing concerned about the numerous charges and fees that are popping up on long-distance and wireless phone bills.

Spitzer and Commissioner Bill Mundell have proposed investigating the charges to come up with truth-in-billing rules that would require better disclosure of fees.

"It's a deeply troubling phenomenon of blatantly false regulatory charges," Spitzer said.

The commission is not alone in its concern over the fees. Regulators and consumer advocates are petitioning the Federal Communications Commis-

sion to ban the line-item fees phone companies add to bills.

A petition before the FCC, filed by the National Association of State Utility Consumer Advocates and supported by the National Association of Regulatory Utility Commissioners, maintains that surcharges should be built into companies' rates. The FCC is accepting individual comments on the petition through its electronic filing system, under docket number 04-208.

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Associated Press contributed to this article.